

Fundamentals:

Hong Kong stocks slumped to the lowest level in six weeks amid concerns more US curbs on China's biggest technology companies will heighten geopolitical tensions and roil markets.

The Hang Seng Index retreated 1.7 per cent to 19,346.40 at 3pm local time, dragging the benchmark to the level last seen on November 26. The Tech Index slid 1.6 per cent, while the Shanghai Composite Index added 0.7 per cent. The Nasdaq Golden Dragon Index of US-listed Chinese stocks, tumbled 1.2 per cent overnight.

WeChat operator Tencent tumbled 7.7 per cent to HK\$377.80, the most since October 8 and tracking its 7.8 per cent loss in New York. Biotech firm Wuxi Biologics slipped 3.7 per cent to HK\$15.98 and Xiaomi slipped 7.3 per cent to HK\$33.65. Li Auto sank 2 per cent to HK\$92.40, leading losses among electric-vehicle makers.

Contemporary Amperex, China's biggest EV battery maker known as CATL, fell 2.8 per cent to 249.45 yuan in Shenzhen trading.

"The fear of future tension rises as the move adds uncertainty to other Chinese tech firms," said Xing Zhaopeng, a senior strategist at Australia & New Zealand Banking Group. "The impact remains [small] because of their limited business exposure to the US."

The Department of Defense added WeChat operator Tencent Holdings, CATL and Cosco Shipping among additional dozens of "Chinese military companies operating in the US" in the Federal Register, according to a supplementary list published on January 7. Tencent and CATL said their inclusion was a mistake and misunderstanding.

The register does not have the effect of a trade ban and companies can ask to be removed from the "blacklist" although the move is likely to raise caution among US investors. President-elect Donald Trump, who ordered a ban on American investments in such entities in 2020, will return to the White House on January 20.

"As we approach Trump's inauguration, the market remains sensitive to geopolitical announcements," said Charu Chanana, chief strategist at Saxo Markets in Singapore. "The broader risk for Chinese equities in 2025 includes Trump's tariffs and strategic announcements, which add to the domestic headwinds."

Major Asia-Pacific markets advanced. Japan's Nikkei 225 added 2 per cent while South Korea's Kospi Index added 0.1 per cent and Australia's S&P/ASX 200 climbed 0.3 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT JAN 25	-247	19490	20179	19270
H. SENG FUT FEB 25	-256	19525	20215	19337
H. SENG FUT MAR 25	-247	19521	20200	19318
H. SENG FUT JUN 25	-249	19444	20130	19251
MINI H. SENG FUT JAN 25	-247	19490	20179	19270
MINI H. SENG FUT FEB 25	-256	19525	20222	19323
MINI H. SENG FUT MAR 25	-247	19521	20208	19313
MINI H. SENG FUT JUN 25	-249	19444	20134	19235
HSCEI FUT JAN 25	-98	7053	7327	6965
HSCEI FUT FEB 25	-99	7071	7340	6994
HSCEI FUT MAR 25	-97	7096	7366	7030
HSCEI FUT JUN 25	-100	7075	7314	7008
MINI HSCEI FUT JAN 25	-98	7053	7328	6965
MINI HSCEI FUT FEB 25	-99	7071	7345	6988
MINI HSCEI FUT MAR 25	-97	7096	7356	7007
MINI HSCEI FUT JUN 25	-100	7075	7340	7000

Major HSI Constituent Stocks	Close	Change	High	Low
*Ala Group Ltd	54.65	-0.6	55.65	54.15
**Tencent Holdings Ltd	379.6	-29.8	392.8	376.6
**HSBC Holdings PLC	75.3	-0.25	75.9	74.9
**China Construction Bank Corp	6.02	-0.01	6.06	5.94
**Ping An Insurance Group	43.25	-0.65	44.15	42.55
**Meituan	148.7	-2	152.8	145.8
*Hong Kong Exchanges & Clearing Ltd	284.2	-1.4	288.4	282.6
**Alibaba Group Holdings Ltd	81.4	-0.75	82.45	80.5
**Xiaomi Corp	34.15	-2.15	36.1	32.75
**ICBC	4.91	0.02	4.94	4.84

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	16.18	-0.42	16.52	15.62
**China Mobile Ltd	75.6	-0.3	75.8	74.4
**Bank of China Ltd	3.92	-0.01	3.95	3.87
*Techtronic Industries Co Ltd	101.6	0.7	102.3	99.55
*CK Hutchison Holdings Ltd	41.05	-0.25	41.7	40.65
*Link REIT	32.8	-0.25	33.5	32.6
*CLP Holding Ltd	63.7	-0.55	64.25	63.1
**Geely Automobile Holdings Ltd	13.98	-0.22	14.36	13.64
**CNOOC Ltd	18.98	-0.16	19.12	18.84
**ANTA Sports Products Ltd	76.6	1.45	76.7	74.25

Global Equity Indices	Close	Change	High	Low
Hang Seng	19447.58	-240.71	19668.65	19252.61
HSCEI	7049.71	-85.77	7125.96	6959.99
Shanghai Comp Index	3229.64	22.721	3230.853	3190.461
Nikkei 225	40083.3	776.25	40288.8	39584.36
KOSPI	2492.1	3.46	2521.86	2492.09
S&P/ASX200	8285.1	27.648	8297.6	8257.4
DJIA	42608.8	-97.77	42931.54	42554.46
S&P 500	5923.14	-52.24	6000.68	5919.46
NASDAQ	19549.6	-315.43	19940.21	19524.82
DAX	20340.6	124.38	20391.17	20152.7
CAC	7489.35	0.59	7516.95	7417.42
FTSE100	8245.28	-4.38	8251.79	8190.5

Technical Analysis

Mini Hang Seng

1st Resistance: 19782 2nd Resistance: 20075
 1st Support: 19198 2nd Support: 18905
 MACD: -57.465
 MACD DIFF: -47.8958
 RSI: 40.93397

Mini Hang Seng China Enterprise

1st Resistance: 7159 2nd Resistance: 7265
 1st Support: 6947 2nd Support: 6841
 MACD: -6.189
 MACD DIFF: -21.449
 RSI: 42.31448

Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
01/02/2025 16:30	Retail Sales Volume YoY	Nov	-5.40%	-8.30%	-4.90%	-4.80%
01/02/2025 16:30	Retail Sales Value YoY	Nov	-3.40%	-7.30%	-2.90%	-2.80%
01/06/2025 08:30	S&P Global Hong Kong PMI	Dec	--	51.1	51.2	--
01/20/2025 16:30	Unemployment Rate SA	Dec	--	--	3.10%	--
01/21/2025 16:30	CPI Composite YoY	Dec	--	--	1.40%	--
01/28/2025 16:30	Money Supply M1 HKD YoY	Dec	--	--	1.60%	--
01/28/2025 16:30	Money Supply M2 HKD YoY	Dec	--	--	2.30%	--
01/28/2025 16:30	Money Supply M3 HKD YoY	Dec	--	--	2.40%	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
01/02/2025 09:45	Caixin China PMI Mfg	Dec	51.7	50.5	51.5	--
01/06/2025 09:45	Caixin China PMI Composite	Dec	--	51.4	52.3	--
01/06/2025 09:45	Caixin China PMI Services	Dec	51.4	52.2	51.5	--
01/09/2025 09:30	CPI YoY	Dec	0.10%	--	0.20%	--
01/09/2025 09:30	PPI YoY	Dec	-2.40%	--	-2.50%	--
01/09/2025 01:15	Money Supply M2 YoY	Dec	7.20%	--	7.10%	--
01/09/2025 01:15	Money Supply M1 YoY	Dec	--	--	-3.70%	--
01/09/2025 01:15	Money Supply M0 YoY	Dec	--	--	12.70%	--
01/17/2025 10:00	GDP YoY	4Q	--	--	4.60%	--
01/17/2025 10:00	GDP YTD YoY	4Q	--	--	4.80%	--
01/17/2025 10:00	GDP SA QoQ	4Q	--	--	0.90%	--
01/17/2025 10:00	Retail Sales YoY	Dec	--	--	3.00%	--
01/17/2025 10:00	Retail Sales YTD YoY	Dec	--	--	3.50%	--
01/27/2025 09:30	Composite PMI	Jan	--	--	52.2	--
01/27/2025 09:30	Manufacturing PMI	Jan	--	--	50.1	--

Hong Kong GDP Y on Y



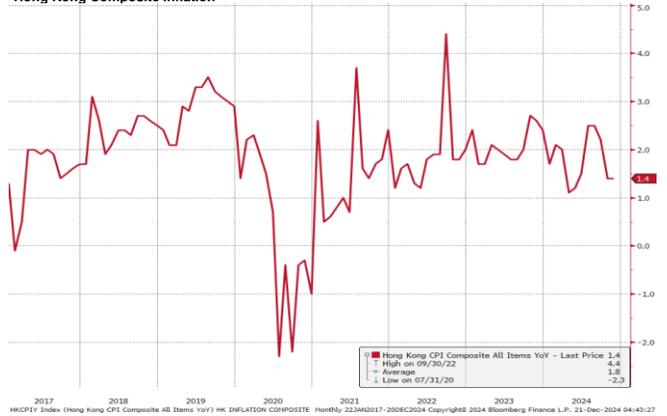
Hong Kong Base Interest Rate



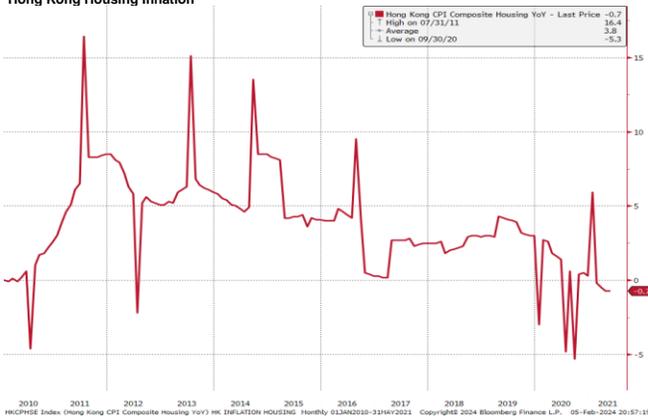
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.